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Passing the Bucks

There will be no corporate citizenship awards for the Delphi Corporation, the nation's largest auto parts supplier, which recently filed for bankruptcy. The F.B.I. and the Securities and Exchange Commission are investigating its accounting practices. It will have to restate years' worth of earnings. And the day before filing for bankruptcy — as the company asked factory workers to accept cuts lowering their pay by as much as two-thirds, down to as low as $10 an hour — management fattened severance packages for 21 executives.

The chief executive, Robert Miller Jr., decided to calm frayed nerves in America's Rust Belt by suggesting to The Financial Times earlier this week that he feared "intergenerational warfare" as young people rebelled against paying for their grandparents' retirement. But the only war being waged is a public relations war, with Mr. Miller using scare tactics to get the United Auto Workers to agree to drastic wage cuts, to get General Motors to promise his company steady business and, most likely, to ease the way toward dumping Delphi's pensions.

Mr. Miller says he hopes to avoid that last step, but his record suggests otherwise: he stuck the federal pension program with $3.7 billion as chief executive at Bethlehem Steel. But there are issues here that go well beyond whether a bankruptcy judge lets Delphi foist its obligations to retirees onto the government fund and its former parent company, G.M. Once again, a giant corporation has not put enough money into its pension fund, to the tune of at least $4 billion. The automobile industry appears poised to follow the steel companies and the airlines as the latest to jeopardize the security of retirees.

Whether they know it or not, taxpayers may be left holding the bag. The federal Pension Benefit Guaranty Corporation had a $23.3 billion deficit last year, and pensions nationally have $450 billion less on deposit than they need to meet their obligations. A huge bailout looms on the horizon.

Optimists point to the healthy state of most of the companies currently offering pensions. But companies can end solvent pension plans, too, handing off their obligations and their assets to insurance companies to manage, while shifting employees to other plans, like 401(k)'s. Why keep paying premiums for a system that's about to go under?

The collateral damage is to G.M., which is on the hook for up to $11 billion for pension, health and life-insurance benefits for the retirees of Delphi, its former parts division. G.M. has enough problems staying competitive. This one has to be dealt with sooner or later, and there's already a bill in Congress that begins to address it. Better to tackle it now than in an even more dire moment, like after a G.M. bankruptcy.